UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Periodic Reporting   Docket No. RM2012-2
(Proposals Sixteen through Twenty)

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued December 30, 2011)

To clarify the basis of the Postal Service's estimates in its proposals filed in Docket No. RM2012-2, the Commission requests the Postal Service to provide written responses to the following questions. Answers should be provided to individual questions as soon as they are developed, but no later than January 10, 2012.

Proposal Sixteen

1.   Please confirm that the productivity measurement in Proposal Sixteen will be calculated as the MODS TP**F** (from operation 538) divided by the sum of MODS hours in operations 530 and 538. On page 4 of the Petition supporting Proposal Sixteen, the Postal Service states: "The proposed FSS productivity will use TP**H** from operation 538 in the numerator and the sum of workhours from operations 530 and 538." *(The productivity column shown on the worksheet tab called "MODS Data E23" in Prop18PERFlatsRevised.xls is labeled as TP**F**/hour (emphasis added)).*

2.   The current FSS productivity measurement of 833 pieces per hour is substantially lower than that for other flats processing equipment *(e.g., AFSM100 in primary sort is 1,711 pieces per hour).* Please explain the reasons for these large differences and what range the FSS productivity is expected to achieve after "'FSS stabilization'".

Proposal Seventeen

3.   Please provide the specific MODS operation code changes associated with
        Proposal Seventeen for the productivity groups used in FY 2010. Please specify
        which MODS operation codes will be added to another productivity group, which
        codes will be deleted from an existing productivity group (or MODS), and any
        other MODS operation codes changes that map to the productivity groups.

4.   Please provide the input data to the TSP scrub program (yr_scrub.tsp filed in
        Docket ACR2010, USPS-FY10-23) used to calculate the new productivities
        submitted with Proposal Seventeen.

5.   Please provide coefficients of variation for each of the proposed groups on page
        6 of the Petition.

6.   Productivities from USPS-FY10-23 are used as inputs in the following models:
        (1) First-Class Mail Presort Letters and Cards and Standard Mail Regular Presort
        Letters Cost Models; (2) Flats Cost Models (First-Class Mail and Standard Mail)
        and Periodicals Cost Model; and, (3) Bound Printed Matter Mail Processing Cost
        Model / Media Mail-Library Mail Processing Cost Model. Please estimate the
        impact Proposal Seventeen will have on the unit avoided cost estimates in these
        models.

7.   Please explain, in detail, how the consolidation of MODS operation groups in
        Proposal Seventeen improves the quality, accuracy, or completeness of MODS
        data pursuant to 39 CFR 3050.11(a).

8.   The Postal Service states, "beginning in late FY 2011, some MODS operation
        numbers were discontinued." Petition at 5. Please confirm that the discontinued
        MODS data are available for the FY 2011 Annual Compliance Report in the

event the Commission does not accept or modifies the change in analytical

principle requested in Proposal Seventeen.

Proposal Eighteen

9.   The Flat Mail Processing cost models filed as part of this docket are

Prop18FCMFlatsRevised.xls (December 12, 2011) Prop18STD.xls and

Prop18PERRevised.xls (December 9, 2011). Each contain tabs titled "FY11

Switches" which contain a cell identifying the "'FSS stabilization Proportion'".

a.   Please confirm that in the file Prop18FCMFlatsRevised.xls tab "FY11

Switches" cell e2 has a value of 20 percent. If not confirmed, please

explain.

b.   Please confirm that in the file Prop18STD.xls tab "FY11 Switches" cell e2

has a value of 20 percent. If not confirmed, please explain.

c.   Please confirm that in the file Prop18PERRevised.xls tab "FY11 Switches"

cell j2 has a value of 7.95 percent. If not confirmed, please explain.

d.   Please explain why the method for estimating the number of flats

processed on FSS machines in the file Prop18PERRevised.xls was not

used in the files Prop18FCMFlatsRevised.xls and Prop18STD.xls.

e.   Please confirm that the method used to estimate coverage factors for

other Flats Processing Machines such as the AFSM 1000, which uses

ODIS RPW volume by ZIP Code, was not used to estimate the coverage

factor for the FSS. If confirmed, please explain why ODIS RPW volumes

by zip code were not used.

      f.   In file Prop18PERRevised.xls tab "FY11 Switches" cell D30 the "FSS Processed Flats Volume" is calculated by multiplying the MODS TPH (Tab "MODS Data E23" cell F94) by the "Proportion of IS Flats on Mechanized Equipment" (tab "ACR Modifications" cell 85). Please provide an explanation for using this adjustment factor.

By the Chairman.

                                                        Ruth Y. Goldway